

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



January 28, 2009

Advice Letter 3384-E

Brian K. Cherry
Vice President, Regulatory Relations
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

**Subject: Calculation of Indifference Payments in Compliance
with D.08-11-056**

Dear Mr. Cherry:

Advice Letter 3384-E is effective January 12, 2009.

Sincerely,

A handwritten signature in blue ink that reads "Julie A. Fitch".

Julie A. Fitch, Director
Energy Division



Ken Deremer
Director
Tariffs & Regulatory Accounts
8330 Century Park Court
San Diego, CA 92123-1548

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December 22, 2008

SDG&E ADVICE LETTER 2051-E
(U902-E)

PG&E ADVICE LETTER 3384-E
(U39-E)

SCE ADVICE LETTER 2304-E
(U338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**SUBJECT: CALCULATION OF INDIFFERENCE PAYMENTS IN COMPLIANCE WITH
DECISION 08-11-056**

PURPOSE

Pursuant to California Public Utilities Commission (Commission) Decision No. (D.) 08-11-056, San Diego Gas & Electric Company (SDG&E), Pacific Gas and Electric Company (PG&E), and Southern California Edison (SCE) hereby submit this compliance filing to implement the revised cost allocation methodology adopted in D.08-11-056. In particular, this compliance filing includes the calculation of the cost allocation indifference payments for each year from 2009 until the last Department of Water Resources (DWR) contract is scheduled to expire and includes the utilities' agreement on a shaping proposal for the indifference payments.¹

BACKGROUND

The "Direct Access" suspension was implemented to address the energy crisis of 2000-2001 when extraordinary wholesale power costs threatened the solvency of California's major investor-owned utilities (IOUs) and their ability to maintain reliable electric service. Assembly Bill 1 from the First Extraordinary Session (AB1X) authorized DWR to become the electric power supplier of last resort for retail customers of the IOUs.² To meet this mandate, DWR

¹ See D.08-11-056, Appendix 2, ¶¶ 5, 9.

² DWR supplied the "net short," i.e., the shortfall in demand not supplied under existing power contracts of the IOU or generated by an IOU facility.

entered into a series of contracts for the procurement of electric power to serve customers in the service territories of the IOUs: PG&E, SCE, and SDG&E.³

Since then, the energy markets have stabilized, the IOUs have resumed responsibility for procuring electric power, and DWR is no longer authorized to enter into contracts for power. However, DWR continues to supply power to retail customers under contracts entered into prior to January 1, 2003. In D. 08-11-056, the Commission found it to be in the public interest to establish a process for seeking to expedite the final phase-out of DWR's remaining involvement in supplying electric power to retail IOU customers, and to return full procurement responsibility to the IOUs.⁴

Procedural Background

In February 2008, D.08-02-033 was issued in Phase I of R.07-05-025, finding that lifting the suspension of Direct Access was barred as long as DWR continues to supply power to retail customers as a party to its existing power contracts (Water Code § 80260). The Commission also concluded that there was value in considering ways to relieve DWR of its obligations to supply power on an expedited basis by supporting negotiations with DWR contract counterparties to enter into replacement agreements with the IOUs.

Phase II(a) of this proceeding was split into two segments: Phase II(a)(1) addressed the feasibility and design of a plan to support arrangements to implement replacement contracts, and led to D.08-11-056, and Phase II(a)(2) will be conducted to implement the plan that was adopted in Phase II(a)(1).

As part of D.08-11-056, the IOUs were directed to file an advice letter which includes: (1) the calculation of indifference payments for each year from 2009 until the last DWR contract is scheduled to expire; (2) a mutually acceptable shaping of the indifference payment schedule across multiple years; and (3) any appropriate modifications to the payment schedule for indifference payments. In addition, Ordering Paragraph 3a of D.08-12-006 directed the IOUs to state in this advice letter when each IOU will start to bill and collect the new DWR remittance rates resulting from the shaping of indifference payments. Therefore, the IOUs present their methodology and indifference payment schedules in response to the Commission's directives.

DISCUSSION

Cost Allocation Methodology and Indifference Payments

The IOUs have discussed the revised DWR cost allocation methodology and indifference payment calculations and agreed to a multiple-step methodology including establishing an indifference payment schedule, and implementing a new "costs-follows-contracts" (CFC) cost

³ AB1X authorized DWR to recover its power costs from electric charges established by the Commission (Water Code § 80110). DWR entered into servicing agreements with the IOUs to collect money on its behalf for power that DWR sells to IOU customers.

⁴ D.08-11-056 at 3.

allocation methodology using the indifference payment schedule, effective beginning in calendar year 2009, in accordance with D.08-11-056.

The revised DWR cost allocation methodology adopted in D.08-11-056 maintains the equity of the permanent cost allocation methodology adopted in D.05-06-060 by implementing a CFC methodology with indifference payments to keep each IOU's respective customers indifferent to the attempt to novate the DWR contracts. "Avoidable" DWR contract costs will continue to be allocated on a CFC basis as is currently required under D.05-06-060. "Unavoidable" DWR contract costs will also be allocated on a CFC basis to the customers of the IOU that administers the subject DWR contract. DWR costs included in the calculation of DWR's Power Charge Revenue Requirement that are not attributable to energy deliveries will remain allocated on the fixed percentage allocations required by D.05-06-060. Additionally, costs allocated pursuant to DWR's Bond Charge Revenue Requirement are not impacted by this revised DWR cost allocation methodology. The DWR annual Power Charge Revenue Requirement determination process will continue until all of the DWR contracts have expired, been novated, or otherwise terminated.

The indifference payment calculation includes the costs and revenues associated with unavoidable DWR contract energy deliveries, including unavoidable DWR contract costs, gas collateral costs, allocated Williams Gas Cost reductions, the previously-approved 2009-2010 Calpine Reduction Credit, and any other applicable categories of costs and/or revenues associated with unavoidable DWR contract energy deliveries. The City and County of San Francisco (CCSF)-DWR contract forecast of unavoidable DWR contract costs is not currently included in DWR's data. If this contract becomes effective, an indifference payment schedule will be developed at that time for the allocation of CCSF-DWR contract costs. The revised DWR cost allocation methodology does not in any way impact or affect the allocation of costs or benefits arising from or in connection with other claims, proceedings, or litigation.

Establishing the indifference (transfer) payment schedule required a determination of the annual difference between the unavoidable DWR contract costs that would have been allocated to each IOU's customers under D.05-06-060 and the unavoidable DWR contract costs that will be allocated to those customers under the CFC methodology. In order to calculate the indifference payments for the Coral and Sempra contracts, and Williams Gas Cost reduction, the utilities were required to develop gas price forward curves.⁵ The IOUs developed their own gas price forward curves and submitted these forward curves to the Energy Division, along with confirmation from an independent evaluator that the independent evaluator had reviewed the gas price forward curves being submitted. Each IOU calculated its forward curve by using the NYMEX futures daily settlement prices and NYMEX Clearport "SoCal Basis Swap" daily settlement prices at the close of the trading days in the period December 12-18, 2008. Each IOU calculated the simple average of the daily settlement prices during this period for each delivery month during the remaining term of the Sempra and Coral contracts: January 2009 through July 2012. The IOUs' respective calculations were reviewed by Energy Division-approved Independent Evaluators. The Energy Division reviewed this information and confirmed the gas price forward curve on December 19, 2008. This gas price forward curve was then used to calculate the indifference payments associated with the Coral and Sempra contracts and the Williams Gas Cost reduction.

⁵ D.08-11-056, Appendix 2, ¶ 7.

Attachment A includes the indifference payments for each year from 2009 until the last DWR contract is scheduled to expire.⁶ The indifference payments made by an IOU, or received by an IOU, will equal the amount necessary to allocate the same amount of unavoidable DWR contract costs to the IOU's customers that would have been allocated under D.05-06-060.

Shaping and Levelized Payments

As directed by D.08-11-056, during the 30-day compliance period, the IOUs explored a mutually acceptable shaping of indifference payments across multiple years that would facilitate rate stabilization of DWR remittance rate changes, shown in the top section of Attachment A. As a result of those discussions, the IOUs have agreed upon a shaping proposal that should not adversely impact customers when compared to payments based on the annual difference between the existing D.05-06-060 cost allocation and the CFC methodology. The IOUs propose to accelerate the indifference payment schedule by one year with an interest adjustment, as shown in the middle section of Attachment A.⁷ This proposal is intended to reduce the volatility of DWR remittance rates to customers as compared to the status quo. Attachment B provides a comparison of the 2009 DWR remittance rate and revenue requirement changes under the proposed shaped payment schedule relative to the status quo D.05-06-060 cost allocation methodology. However, the proposed shaping schedule is contingent upon timely Commission approval that permits the IOUs to implement necessary rate adjustments by the dates set forth below.

If this accelerated payment schedule is approved by the Commission, SDG&E will consolidate this rate adjustment with its annual ERRA rate adjustment, tentatively expected April 1, 2009. This date is dependent on when SDG&E's ERRA forecast application (A.08-10-004) is approved.

Similarly, if this accelerated payment schedule is approved, PG&E and SCE will consolidate this rate adjustment on March 1, 2009 coincident with other anticipated rate changes approved by the Commission and the Federal Energy Regulatory Commission. Since the 2009 revised annual transfer payment schedule for PG&E and SCE will be implemented on March 1, 2009, PG&E and SCE will calculate their revised 2009 DWR Power Charge such that the revised transfer payment schedule to their customers will be realized over a ten-month period (i.e., March through December). This will set the revised DWR Power Charge for PG&E and SCE at the appropriate level so that DWR is able to recover its total annual revenue requirement by December 31, 2009.⁸

⁶ The indifference payments are in the first section of Attachment A, under the heading "Base Indifference Payments (Receipts)".

⁷ The shaping proposal is in the second section of Attachment A, under the heading "Accelerated Indifference Payments (Receipts)".

⁸ The "REVISED" remittance rates shown on Line No. 35 of Attachment B are based on annual revenue requirements and are therefore annual remittance rates. Because the impact of indifference payment and shaping adjustment shown on Lines Nos. 25.a and 25.b will be reflected in the "REVISED" remittance rates over a shorter time period (i.e., 9 or 10 months) as discussed in the foregoing paragraphs, the actual "REVISED" remittance rate for each utility will be modified to reflect that shorter time period. The actual "REVISED" remittance rate for each utility will be identified in each utility's subsequent advice filing implementing the new rate.

DWR's true-ups of actual DWR contract costs and remittances for contract deliveries in 2009 and beyond, reflected in the IOUs' respective utility-specific balancing accounts, will correspond to each IOU's allocated contracts. For true-ups of costs and remittances for pre-2009 deliveries, the D.05-06-060 cost allocation methodology will be used to calculate true-up amounts.

EFFECTIVE DATE

The IOUs believe this Advice Letter is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) pursuant to GO 96-B. As directed in Appendix 2 of D.08-11-056, this filing is to be effective 20 calendar days from the date filed. Therefore, SDG&E, PG&E and SCE respectfully request that this filing be made effective January 12, 2009, twenty days from the date filed. Revised tariffs to reflect the new DWR remittance rates using the CFC allocation methodology will be implemented by each utility filing Tier 1 advice letters pursuant to GO 96-B.

PROTEST

Anyone may protest this Advice Letter to the California Public Utilities Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. **As directed in D.08-11-056, protests must be received within 15 days of the date this Advice Letter was filed with the Commission.** There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

CPUC Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

In addition, protests and all other correspondence regarding this advice letter should also be sent by letter and transmitted via facsimile or electronically to the attention of both Honesto Gatchalian (ijn@cpuc.ca.gov) and Maria Salinas (mas@cpuc.ca.gov) of the Energy Division. A copy of the protest should also be sent via both e-mail and facsimile to the address shown below on the same date it is mailed or delivered to the Commission.

Attn: Todd Cahill
Regulatory Tariff Manager
8330 Century Park Court, Room 32C
San Diego, CA 92123-1548
Facsimile No. (858) 654-1788
E-mail: tcahill@semprautilities.com

Attn: Brian K. Cherry
Vice President, Regulatory Relations
Pacific Gas & Electric Company
77 Beale Street, Mail Code B10C
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San Francisco, CA 94177
Facsimile No. (415) 973-7226
E-mail: PGETariffs@pge.com

Attn: Akbar Jazayeri
Vice President of Regulatory Operations
Southern California Edison Company
2244 Walnut Grove Avenue
Rosemead, California 91770
Facsimile: (626) 302-4829
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Attn: Bruce Foster
Senior Vice President, Regulatory Operations
c/o Karyn Gansecki
Southern California Edison Company
601 Van Ness Avenue, Suite 2040
San Francisco, California 94102
Facsimile: (415) 673-1116
E-mail: Karyn.Gansecki@sce.com

NOTICE

A copy of this filing has been served on the utilities and interested parties shown on the attached list, which includes R.07-05-025, by providing them a copy hereof either electronically or via the U.S. mail, properly stamped and addressed.

Address changes should be directed to SDG&E Tariffs by facsimile at (858) 654-1788 or by e-mail at SDG&ETariffs@semprautilities.com.

KEN DEREMER
Director – Tariffs & Regulatory Accounts

(cc list enclosed)

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **SAN DIEGO GAS & ELECTRIC (U 902)**

Utility type:

ELC

GAS

PLC

HEAT

WATER

Contact Person: Megan Caulson

Phone #: (858) 654-1748

E-mail: MCaulson@SempraUtilities.com

EXPLANATION OF UTILITY TYPE

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 2051-E

Subject of AL: Calculation of Indifference Payments in Compliance with D.08-11-056

Keywords (choose from CPUC listing): Compliance

AL filing type: Monthly Quarterly Annual One-Time Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

D.08-11-056

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL N/A

Summarize differences between the AL and the prior withdrawn or rejected AL¹: N/A

Does AL request confidential treatment? If so, provide explanation:

Resolution Required? Yes No

Tier Designation: 1 2 3

Requested effective date: 1/12/09

No. of tariff sheets: _____

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: N/A

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division

Attention: Tariff Unit

505 Van Ness Ave.,

San Francisco, CA 94102

mas@cpuc.ca.gov and jnj@cpuc.ca.gov

San Diego Gas & Electric

Attention: Todd Cahill

8330 Century Park Ct, Room 32C

San Diego, CA 92123

tcahill@semprautilities.com

¹ Discuss in AL if more space is needed.

General Order No. 96-B
ADVICE LETTER FILING MAILING LIST

cc: (w/enclosures)

Public Utilities Commission

DRA

D. Appling
S. Cauchois
J. Greig
R. Pocta
W. Scott

Energy Division

P. Clanon
S. Gallagher
H. Gatchalian
D. Lafrenz
M. Salinas

CA. Energy Commission

F. DeLeon
R. Tavares

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K. Harteloo

American Energy Institute

C. King

APS Energy Services

J. Schenk

BP Energy Company

J. Zaiontz

Barkovich & Yap, Inc.

B. Barkovich

Bartle Wells Associates

R. Schmidt

Braun & Blaising, P.C.

S. Blaising

California Energy Markets

S. O'Donnell
C. Sweet

California Farm Bureau Federation

K. Mills

California Wind Energy

N. Rader

CCSE

S. Freedman
J. Porter

Children's Hospital & Health Center

T. Jacoby

City of Chula Vista

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City of Poway

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J. Cervantes
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Commerce Energy Group

V. Gan

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W. Chen

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J. Pau

Dept. of General Services

H. Nanjo
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Douglass & Liddell

D. Douglass
D. Liddell
G. Klatt

Duke Energy North America

M. Gillette

Dynegy, Inc.

J. Paul

Ellison Schneider & Harris LLP

E. Janssen

Energy Policy Initiatives Center (USD)

S. Anders

Energy Price Solutions

A. Scott

Energy Strategies, Inc.

K. Campbell
M. Scanlan

Goodin, MacBride, Squeri, Ritchie & Day

B. Cragg
J. Heather Patrick
J. Squeri

Goodrich Aerostructures Group

M. Harrington

Hanna and Morton LLP

N. Pedersen

Itsa-North America

L. Belew

J.B.S. Energy

J. Nahigian

Luce, Forward, Hamilton & Scripps LLP

J. Leslie

Manatt, Phelps & Phillips LLP

D. Huard
R. Keen

Matthew V. Brady & Associates

M. Brady

Modesto Irrigation District

C. Mayer

Morrison & Foerster LLP

P. Hanschen

MRW & Associates

D. Richardson

OnGrid Solar

Andy Black

Pacific Gas & Electric Co.

J. Clark
M. Huffman
S. Lawrie
E. Lucha

Pacific Utility Audit, Inc.

E. Kelly

R. W. Beck, Inc.

C. Elder

School Project for Utility Rate Reduction

M. Rochman
Shute, Mihaly & Weinberger LLP

O. Armi

Solar Turbines

F. Chiang

Sutherland Asbill & Brennan LLP

K. McCrea

Southern California Edison Co.

M. Alexander
K. Cini

K. Gansecki

H. Romero

TransCanada

R. Hunter

D. White

TURN

M. Florio
M. Hawiger

UCAN

M. Shames

U.S. Dept. of the Navy

K. Davoodi

N. Furuta

L. DeLacruz

Utility Specialists, Southwest, Inc.

D. Koser

Western Manufactured Housing

Communities Association

S. Dey

White & Case LLP

L. Cottle

Interested Parties

R.07-05-025

Attachment A
Indifference/Transfer Payments
and Accelerated Schedule of Indifference/Transfer Payments
(Dollars)

Line		PG&E			SCE			SDG&E			
		Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	
1		2009	(99,296,326)	-	(99,296,326)	6,223,651	-	6,223,651	93,072,674	-	93,072,674
2	Base Indifference / Transfer Payments or (Receipts)	2010	505,977,692	-	505,977,692	(512,602,145)	-	(512,602,145)	6,624,452	-	6,624,452
3		2011	413,736,884	-	413,736,884	(461,139,235)	-	(461,139,235)	47,402,352	-	47,402,352
4		2012	(39,511,374)	-	(39,511,374)	64,863,178	-	64,863,178	(25,351,805)	-	(25,351,805)
5		2013	959,945	-	959,945	11,550,975	-	11,550,975	(12,510,920)	-	(12,510,920)
6		2014	(1,975,428)	-	(1,975,428)	2,215,759	-	2,215,759	(240,331)	-	(240,331)
7		2015	(1,191,018)	-	(1,191,018)	978,778	-	978,778	212,240	-	212,240
8		Total	778,700,375	-	778,700,375	(887,909,038)	-	(887,909,038)	109,208,663	-	109,208,663
10											
11	Accelerated Indifference / Transfer Payments or (Receipts)	2009	406,681,366	(10,119,554)	396,561,813	(506,378,493)	10,252,043	(496,126,450)	99,697,127	(132,489)	99,564,638
12		2010	413,736,884	(8,274,738)	405,462,146	(461,139,235)	9,222,785	(451,916,451)	47,402,352	(948,047)	46,454,305
13		2011	(39,511,374)	790,227	(38,721,146)	64,863,178	(1,297,264)	63,565,915	(25,351,805)	507,036	(24,844,769)
14		2012	959,945	(19,199)	940,746	11,550,975	(231,020)	11,319,956	(12,510,920)	250,218	(12,260,702)
15		2013	(1,975,428)	39,509	(1,935,920)	2,215,759	(44,315)	2,171,444	(240,331)	4,807	(235,524)
16		2014	(1,191,018)	23,820	(1,167,198)	978,778	(19,576)	959,202	212,240	(4,245)	207,995
17		2015	-	0	0	-	(0)	(0)	-	0	0
18	Total	778,700,375	(17,559,934)	761,140,441	(887,909,038)	17,882,654	(870,026,385)	109,208,663	(322,720)	108,885,943	
20											
21	Difference in Negative or (Positive) Cash Flow	2009	505,977,692	(10,119,554)	495,858,138	(512,602,145)	10,252,043	(502,350,102)	6,624,452	(132,489)	6,491,963
22		2010	(92,240,809)	(8,274,738)	(100,515,546)	51,462,909	9,222,785	60,685,694	40,777,899	(948,047)	39,829,852
23		2011	(453,248,257)	790,227	(452,458,030)	526,002,414	(1,297,264)	524,705,150	(72,754,156)	507,036	(72,247,120)
24		2012	40,471,318	(19,199)	40,452,119	(53,312,203)	(231,020)	(53,543,222)	12,840,885	250,218	13,091,103
25		2013	(2,935,373)	39,509	(2,895,864)	(9,335,216)	(44,315)	(9,379,531)	12,270,589	4,807	12,275,396
26		2014	784,410	23,820	808,230	(1,236,981)	(19,576)	(1,256,557)	452,571	(4,245)	448,326
27		2015	1,191,018	0	1,191,018	(978,778)	(0)	(978,778)	(212,240)	0	(212,240)
28	Total	(0)	(17,559,934)	(17,559,934)	0	17,882,654	17,882,654	(0)	(322,720)	(322,720)	

Attachment B
Allocation of 2009 CDWR Revenue Requirement Among Utilities
Both Original and Revised
(Dollars in millions)

Line	Description	ORIGINAL Remittance Rate Calculation Table				REVISED Remittance Rate Calculation Table				
		Using Permanent Allocation Only			Total	Reference	Using Indifference/Transfer Payments with Acceleration			Total
PG&E	SCE	SDG&E		PG&E			SCE	SDG&E		
1	Allocation Percentages	42.20%	47.50%	10.30%	100.00%	Decision 05-06-060	42.20%	47.50%	10.30%	100.00%
2										
3	2004-2007 Expenses	8,125	8,849	2,770	19,744	Actuals	8,125	8,849	2,770	19,744
4	2004-2007 Revenues	7,984	9,007	2,929	19,920	Actuals	7,984	9,007	2,929	19,920
5	Amount to be collected from /(returned to) the IOU USBA	\$ 141	\$ (158)	\$ (159)	\$ (175)	Line 3 - Line 4	\$ 141	\$ (158)	\$ (159)	\$ (175)
6										
7	2008 Expenses	1,662	1,932	589	4,183	actuals through Sep-08 the	1,662	1,932	589	4,183
8	2008 Revenues	1,126	2,108	531	3,765	actuals through Sep-08 the	1,126	2,108	531	3,765
9	Amount to be collected from /(returned to) the IOU USBA	\$ 536	\$ (177)	\$ 58	\$ 418	Line 7 - Line 8	\$ 536	\$ (177)	\$ 58	\$ 418
10										
11	Balancing Calculation									
12	December 31, 2009 Projected PCA Balance: Desired Allocation	566	637	138	1,341		566	637	138	1,341
13	January 1, 2004 Starting PCA Balance: Desired Allocation	701	789	171	1,660		701	789	171	1,660
14	Amount to be collected from /(returned to) the IOU USBA	\$ (135)	\$ (151)	\$ (33)	\$ (319)	Line 12 - Line 13	\$ (135)	\$ (151)	\$ (33)	\$ (319)
15										
16	Prior True-ups (2001/02, 2003, 2008 Calpine2)	(529)	394	135	0		(529)	394	135	0
17	2004-2007 True-up	677	(334)	(100)	243	Line 5 + Line 9	677	(334)	(100)	243
18	Starting and Ending balance True-up	(135)	(151)	(33)	(319)	Line 14	(135)	(151)	(33)	(319)
19	Cumulative True-up to be collected from/(returned to) IOU USBA	\$ 14	\$ (92)	\$ 2	\$ (76)	Subtotal	\$ 14	\$ (92)	\$ 2	\$ (76)
20										
21	2009 Revenue Requirement Determination									
22	Avoidable Costs	77	300	203	580	2009RptRR	77	300	203	580
23	Net Non-Avoidable Costs	1,539	1,732	376	3,647	2009RptRR	1,055	1,828	245	3,129
24	Los Esteros Contract Cost	4			4					
25	Calpine 2 Contract Cost Reduction Credit	(522)	0	0	(522)					
25.a	Indifference/Transfer Payment (Attachment A, Line 1)	0	0	0	0		(99)	6	93	0
25.b	Shaping/Acceleration Adjustment (Attachment A, Line 21)	0	0	0	0		496	(502)	6	0
26	Gas Collateral Cost	(8)	(9)	(2)	(18)	2009RptRR	(8)	(9)	(2)	(18)
27	Administrative and General	12	13	3	28	2009RptRR	12	13	3	28
28	Other Non-Allocated Costs	0	0	0	0	2009RptRR	0	0	0	0
29	Surplus Revenue	(0)	(50)	(5)	(55)	2009RptRR	(0)	(50)	(5)	(55)
30	Interest Earnings on Fund Balance	(15)	(17)	(4)	(36)	2009RptRR	(15)	(17)	(4)	(36)
31	Balancing Transfer between IOUs	14	(92)	2	(76)	Line 18	14	(92)	2	(76)
32		\$ 1,100	\$ 1,877	\$ 573	\$ 3,551		\$ 1,531	\$ 1,477	\$ 543	\$ 3,551
33	Revenue Requirement Allocated to IOU's Customers	\$ 1,100	\$ 1,877	\$ 573	\$ 3,551		\$ 1,531	\$ 1,477	\$ 543	\$ 3,551
34	DWR Delivered Energy (GWh)	12,736	22,059	5,211	40,005		12,736	22,059	5,211	40,005
35	Calendar Year Remittance Rates*	0.08640	0.08510	0.11004	0.08877		0.12022	0.06697	0.10416	0.08877
1	Sum of table lines 23, 24, 25, 25a	1,021	1,732	376	3,129		956	1,835	338	3,129
2	CFC contract costs--assuming 100% market price gas	1,085	1,862	253	3,200		998	1,588	253	2,839
3	Difference between market gas price and Williams gas price	(30)	(34)	(7)	(71)		(9)	(10)	(2)	(21)
4	Plug for 2009 only to keep DWR revenue requirement the same (difference between DWR gas price forecast and new gas price)	0	0	0	0		66	250	(5)	311
5	Net Cost Follows Contracts	1,055	1,828	245	3,129		1,055	1,828	245	3,129
6	Permanent allocation of non-avoidable costs	1,321	1,486	322	3,129		1,189	1,339	290	2,818
7	Difference between permanent allocation and CFC	265	(342)	77	0		200	(240)	40	0
8	Calpine 2 adjustment	(299)	246	53	-		(299)	246	53	-
9	Indifference/Transfer Payment	(34)	(96)	130	0		(99)	6	93	0

* Revised remittance rates for PG&E, SCE and SDG&E represent an estimate of the average remittance rate for 2009 under the accelerated transfer payment schedule. Actual remittance rates for 2009 will start at the rates shown as the calendar year remittance rates using the permanent allocation only, and will be adjusted prospectively for each IOU upon implementation of customer rate changes as described in this compliance filing.